



RESOLUTION

APPROVING COST ITEMS FOR THE UNIT 1 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE EMPLOYER AND THE UNITED PUBLIC WORKERS FOR THE PERIOD FROM JULY 1, 2017 TO AND INCLUDING JUNE 30, 2021, FOR BU 1 EMPLOYEES.

WHEREAS, Chapter 89, Hawaii Revised Statutes (HRS), establishes a statewide collective bargaining process for public employees; and

WHEREAS, pursuant to HRS Chapter 89, the Employer and the exclusive representative of Bargaining Unit 1 (United Public Workers) began negotiations in June of 2016, concerning a successive collective bargaining agreement for the employees in the bargaining unit; and

WHEREAS, pursuant to HRS Section 89C-2(4), "For excluded employees under the same classification systems as employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for employees hired on a comparable basis;" and

WHEREAS, the Employer and the United Public Workers reached an Agreement; and

WHEREAS, the Agreement was ratified by the Bargaining Unit 1 employees on August 14, 2017; and

WHEREAS, the new collective bargaining agreement makes adjustments to wages and other non-wage cost items and is effective for four (4) years, from July 1, 2017 to and including June 30, 2021; and

WHEREAS, pursuant to HRS Section 89-10(b), the wage and non-wage cost items are subject to appropriations by the respective legislative bodies; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approve the cost items for the Unit 1 Collective Bargaining Agreement between the Employer and the United Public Workers, for the period from July 1, 2017 to and including June 30, 2021, for included and civil service excluded employees in BU 1 of the City and County of Honolulu (a summary of these cost items is attached as Exhibit A); and



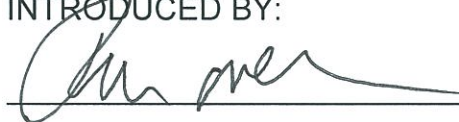
CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 17-243

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Director of Budget and Fiscal Services, the Director of Human Resources, and to the United Public Workers.

INTRODUCED BY:

 (br)

DATE OF INTRODUCTION:

AUG 3 1 2017

Honolulu, Hawaii

Councilmembers

**REPORT TO CITY COUNCIL
COLLECTIVE BARGAINING AGREEMENT FOR BARGAINING UNIT 1 (UPW)**

Background

The current collective bargaining agreement for Bargaining Unit 1 with the United Public Workers (UPW) expired on June 30, 2017. Negotiations for the successor agreement began in June of 2016. An Agreement was reached between the Employer and UPW; and said Agreement was ratified by the Bargaining Unit 1 employees on August 14, 2017.

City Employees Covered by Settlement (as of July 15, 2017)

Bargaining Unit	Without Board of Water Supply		With Board of Water Supply	
	Included	Excluded	Included	Excluded
1	1,735	18	1,930	18

Duration

The Bargaining Unit 1 Collective Bargaining Agreement is for four (4) years, effective from July 1, 2017 to and including June 30, 2021. However, during the term of the Agreement and not less than ninety (90) days before the beginning of the 2019 Legislative Session, the Employer and UPW shall meet to continue bargaining in good faith on the equivalent of step movement and the Employer's contribution to the Employer-Union Health Benefits Trust Fund (EUTF) for the period July 1, 2019 to and including June 30, 2021.

Cost ItemsA. Wages

1. **Effective November 1, 2017:** Employees who were employed as of October 31, 2017 shall receive a one-time lump sum payment of one thousand dollars. Employees who are less than full-time shall receive a prorated amount.
2. **Effective June 1, 2018:** 3.2% per month across-the-board salary increase.
3. **Effective November 1, 2018:** Employees who were employed as of October 31, 2018 shall receive a one-time lump sum payment of one thousand dollars. Employees who are less than full-time shall receive a prorated amount.
4. **Effective May 1, 2019:** 3.45% per month across-the-board salary increase.
5. **Effective July 1, 2019:** 2% per month across-the-board salary increase.
6. **Effective July 1, 2020:** 2% per month across-the-board salary increase.

The following chart summarizes the City's estimated salary costs for the four-year contract period:

SALARY COSTS FOR BARGAINING UNIT 1*					
	FY18	FY19**	FY20**	FY21**	Total FY18-21
Without BWS					
Included Employees	2,699,598	6,918,722	10,580,659	13,195,137	33,394,116
Excluded Employees	9,664	22,301	31,690	39,521	103,176
TOTAL	2,709,262	6,941,023	10,612,349	13,234,658	33,497,292
With BWS					
Included Employees	3,006,412	7,722,446	11,826,802	14,749,202	37,304,862
Excluded Employees	9,664	22,301	31,690	39,521	103,176
TOTAL	3,016,076	7,744,747	11,858,492	14,788,723	37,408,038

* Includes wage-related fringe benefits.

**Includes rollover from previous year

B. Employer-Union Health Benefits Trust Fund (EUTF)

1. **Effective July 1, 2017:** The Employer will pay specific dollar amounts for the PPO and HMO plans, which will increase the Employer's contribution rates approximately 9% from the previous year. The Employer contribution shall be capped at 84.3% of the total premium. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall pay 100% of the premiums and fees).
2. **Effective July 1, 2018:** The Employer will pay specific dollar amounts for the PPO and HMO plans, which will increase the Employer's contribution rates approximately 9% from the previous year. The Employer contribution shall be capped at 84.3% of the total premium. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall pay 100% of the premiums and fees).
3. **Fiscal years 2020 and 2021:** For fiscal years 2020 and 2021, the Employer and UPW have the option to reopen negotiations to determine the Employer's contribution. If an Agreement covering period(s) beginning July 1, 2019 to June 30, 2021, is not executed by June 30, 2019; the Employer's contribution to the Trust Fund shall be the same monthly contribution amounts paid in the plan year 2018-2019 for the Health Benefit Plan approved by the Trust Fund including monthly administrative fees.

The following chart summarizes the City's estimated EUTF costs for the first 2 years of the 4-year contract period:

FY18	FY19	TOTAL FY18-19
\$881,735	2,052,069	2,933,804

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
C E R T I F I C A T E

RESOLUTION 17-243

Introduced: 08/31/17 By: RON MENOR – BY REQUEST Committee: BUDGET

Title: RESOLUTION APPROVING THE COST ITEMS FOR THE UNIT 1 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE EMPLOYER AND THE UNITED PUBLIC WORKERS FOR THE PERIOD FROM JULY 1, 2017 TO AND INCLUDING JUNE 30, 2021, FOR BU 1 EMPLOYEES.

Voting Legend: * = Aye w/Reservations

09/27/17	BUDGET	CR-364 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.
10/11/17	COUNCIL	CR-364 AND RESOLUTION 17-243 WERE ADOPTED. 8 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MARTIN, MENOR, OZAWA, PINE. 1 ABSENT: MANAHAN.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN I. TAKAHASHI, CITY CLERK



RON MENOR, CHAIR AND PRESIDING OFFICER